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Deal with Iran was so secret NSC's staff told not to ask

Shultz believes U.S. should halt arms shipments

By Mary Belcher
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Secretary of State George Shultz, distancing himself from the official administration position, yesterday said there should be no more arms shipments to Iran.

But he defended President Reagan's secret dealings and arms deliveries to Iran as a sending of "signals" to moderate factions there.

"We gave a signal . . ." Mr. Shultz said on a CBS telvision. "And as far as I'm concerned, I don't see any need for further signals."

Mr. Shultz, who emphasized that he was not speaking for the administration, said U.S. arms shipments to Iran should be stopped in light of "Iran's war with Iraq, its pursuit of terrorism, its association with those holding our hostages."

Mr. Shultz said the president decided to send a "small defensive arms shipment" to Iran "to show his serious intent and good faith."

"That's debatable," Mr. Shultz said of the decision.

"You can argue for that — there are some good reasons why. You can argue against it," he said. "At any rate, when you get elected president, one of the things you get a right to do is to make decisions of that kind. So the president decided on this signal and he did it."

Mr. Reagan disclosed last week that he had secretly sent U.S. arms to moderate factions in Iran that eventually led to the release of Americans held hostage by pro-Iranian terrorists in Beirut.

Publicly, the administration has advocated continuing a 7-year-old embargo on U.S. arms shipments to Iran.

Since reports of the covert shipments surfaced 13 days ago, no administration official has said the U.S.-Iranian dealings would or should end.

"Iran's use of terrorism, Iran's taking of hostages, to me, is something that we have to fight against very hard and unequivocally," Mr. Shultz said, describing his own knowledge of the arms shipment as "fragmentary at best."

Reports that Mr. Shultz, Defense Secretary Caspar Weinberger and others were angered by their exclusion from the National Security Council-run operation has raised speculation that the secretary of state might resign.

"I talked to the president," Mr. Shultz said, when asked whether he would leave his post. "I serve at his pleasure and anything I have to say on that subject I'd just say to him."

Congressional hearings on the administration's secret arms shipments to Iran will begin next week, but John Poindexter, the president's national security adviser, indicated yesterday that he would not testify on Capitol Hill.

National security advisers are "not in the habit of testifying," Mr. Poindexter said on NBC.

Mr. Poindexter, who did not say whether the president would cite executive privilege to exempt him from testifying, said he will make arrangements to talk "informally" with members of Congress.

"There will be hearings in which I probably will not participate, but I am anxious that they hear from me to understand the thinking on our part behind this project and understand some of the subtleties involved," he said.

He said CIA Director William Casey will testify before Congress. But, Mr. Poindexter said, the administration will keep many details of the operation classified "to protect the individuals involved and try to salvage as much of the channel as we can."

Sen. Patrick J. Leahy, a Vermont Democrat who serves on the Senate Intelligence Committee, yesterday said it was "immaterial" whether Mr. Poindexter testified before Congress.

"The CIA will come up and will talk to us, and the matter will be explored in great detail," Mr. Leahy said on ABC.

Senate Democratic Leader Robert Byrd called Mr. Reagan's secret dealings with Iran "a massive political blunder."

"I think what we see here is just another symptom of the confusion and the disarray within the White House in connection with the formulation of foreign policy," Mr. Byrd said on ABC.

Rep. Jim Wright, the Texas Democrat expected to become the next speaker of the House, yesterday said Mr. Reagan broke the law by failing to inform Congress of the U.S.-Iranian operation.

Mr. Wright, speaking on CBS, said provisions in the National Security Act allow the president to notify Congress of intelligence activities after the fact, when "a sudden decision has to be made in light of every swiftly changing circumstance." But in the Iranian operation, he said, Congress was "kept in the dark" for months.

Mr. Reagan signed a secret directive in January allowing the sale of arms of Iran to foster ties with moderate factions there.

"I have no intention to try to embarrass or punish any person in the executive branch," he said. "But I do think that we need to establish a very clear, unequivocal precedent that the law is supreme, that it has to be followed."

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